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C O N F I D E N T I A L SECTION 01 OF 04 HAVANA 000477

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Classified By: COM Jonathan Farrar for reasons 1.4 (b) and (d)

Summary

11. (C) To no one's surprise, Cuban President Raul Castro and the Communist Party's Central Committee announced on July 29 another delay of the Sixth Communist Party Congress intended for the end of this year. The official excuse is a lack of preparation, even though the Congress is already seven years behind schedule. Amidst a flurry of activity starting with Raul's July 26 speech and ending with his August 1 speech at the semi-annual National Assembly, Raul and his ministers painted a desperate and fairly accurate picture of the Cuban economy (septel), but once again offered no solutions. In response to Secretary Clinton's statement earlier in July that the United States wants to see fundamental changes in the Cuban regime, Raul said he was not elected to restore capitalism but to "defend, maintain, and continue to improve socialism." For their part, the National Assembly established a Comptroller General's office similar to the U.S. General Accounting Office, created a national system of museums, and passed two U.S. focused resolutions regarding Honduras and the Cuban Five. In what is becoming a fairly typical tag team routine, Fidel Castro, who remains the head of the Cuban Communist Party (PCC), has not been heard from since his brother's return from Africa on July 23. End
Summary

A Lot of Activity

12. (SBU) Raul returned on July 23 from an 11-day trip to Algeria, Egypt (for the Non-Aligned Movement summit), Namibia, Angola, and a short layover in Brazil. He then traveled to the eastern province of Holguin on July 26 to celebrate National Rebellion Day - Cuba's most important revolutionary holiday representing the 56th anniversary of

the failed attack on Moncada and Carlos Manuel de Céspedes barracks that is now hailed as the start of the revolution. The twelve working committees of the National Assembly met on July 28 and 29 to hear reports on the full range of government activities. Also on July 29, the Seventh Plenum of the Central Committee of the Communist Party, with the Politburo and Secretariat, and invited members of the Council of State and the Council of Ministers discussed national defense and the economy. The Central Committee also officially agreed to delay the Sixth Communist Party Congress indefinitely. The Council of Ministers itself met on July 30 to approve a second adjustment of government expenditures and a non-specific group of measures to "address our country's tense financial situation (septel)." Finally, the third ordinary session (since the February 2008 elections) of the Seventh Legislature of the National Assembly met for one day on August 1 to unanimously approve two bills, pass two resolutions, and elect two government officials.

Party Congress Delayed Again

¶13. (C) The Cuban Communist Party held its first Party Congress in 1975, followed by congresses in 1980, 1985, 1991, and 1997. The Sixth Party Congress was supposed to take place in 2002 but has been delayed repeatedly. When he became president in February 2008, Raul first promised to hold the long expected gathering of party faithful before the end of 2009. He later repeated that promise in two prominent speeches on July 26, 2008 and January 1, 2009. As 2009 rolled along, diplomats, analysts, and our Cuban contacts grew increasingly confident that a delay was inevitable because the PCC had yet to propose an agenda and, as one

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diplomat who predicted the delay back in February put it (Ref A), Fidel is still alive. The delay was made official on July 29 at the Communist Party's Seventh Central Committee Plenum. Second Party Secretary Raul Castro's excuse for the latest delay was that the preparations have not yet been completed (or started) and this "cannot become just another event... (because)... most likely it will be the last one presided over by the historic leadership of the revolution."

¶14. (SBU) According to PCC statutes, the Congress should examine and signal the way forward to solve the problems most important to the construction of socialism and to approve the strategic programs for the economic, social, and cultural development of the nation. As part of this process, the PCC circulates an agenda at least six-months before the Congress among the 1,500 Congress delegates representing an estimated 850,000 party members around the country. The leaders discuss the agenda, offer minor tweaks, then approve it in what is usually touted as a major democratic achievement.

¶15. (C) The Congress also typically elects new party leadership, which has led to speculation that one of the reasons for the continued delay is uncertainty in how to deal with Fidel Castro who continues to serve as First Party Secretary even though he no longer physically participates in PCC activities. However, Raul announced in his August 1 speech at the National Assembly that the party will convene for the first time and "relatively quickly" a National Conference to elect new leadership institutions (i.e. the Central Committee, the Politburo, and the Secretariat). The new leadership, which will replace members elected 12 years ago for a term that was supposed to last only five years, will be responsible for continuing and concluding the Congress preparations. It is unclear whether the National Conference will venture to replace Fidel himself.

With All Due Respect Mrs. Clinton...

¶ 6. (C) In keeping with his custom, Raul made little reference to the United States in his brief July 26 speech. While extolling his compatriots to return to working the land and plant trees, Raul said that "it is not a matter of shouting Fatherland or Death, down with imperialism; the blockade hits us and the land is there, waiting for our hard work." With the exception of one other reference to "the economic blockade", Raul simply continued his tendency to identify well known domestic issues (lack of housing, water, cash, and food) and urge Cubans to sacrifice more and work harder to overcome them.

¶ 7. (C) Raul devoted significantly more time to relations with the United States in his address to the National Assembly on August 1. He touted the growing "prestige of this small island" pointing to Cuba's just ended presidency of the Non-Aligned Movement, new membership in the Rio Group, and regional support against the U.S. embargo at the Summit of the Americas in April. Raul repeated once again that Cuba does not have the slightest intention of joining the OAS, although he called the June decision to remove Cuba's suspension a defeat for the United States and victory for ALBA and Cuba. Summing up this point, Raul said "the question emerges regarding which country is isolated in the region; it does not look like Cuba."

¶ 8. (C) Raul said that sticking to the facts the embargo is still in effect and Cuba is still listed as a state sponsor of terrorism. He also highlighted that the "positive, though minimal" changes to U.S. policy regarding travel, remittances, and telecommunications announced on April 13 have not yet been implemented. "It is important for this to be made known, since there is considerable confusion and manipulation of this issue in the international press." Raul then said the "aggressiveness and anti-Cuban rhetoric" has been reduced and migration talks are being held in a "serious and constructive way." He quoted Secretary Clinton's remarks in early July that "...we are opening up dialogue with Cuba,

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but we are very clear that we want to see fundamental changes in the Cuban regime." Raul replied, "...with all due respect, I find myself obliged to respond to Mrs. Clinton and at the same time to those in the EU who demand that we make unilateral gestures toward dismantling our political and social system. I was not elected president to restore capitalism in Cuba or to hand over the revolution. I was elected to defend, maintain, and continue to improve socialism, not to destroy it," after which he reportedly received an extended standing ovation from the just over 600 National Assembly members. Raul continued by reiterating Cuba's willingness to discuss everything with the United States, but "not to negotiate our political or social system." Addressing Secretary Clinton again, Raul said "that if they want to discuss everything, we will discuss everything, not just about here, but about there, too" (in specific reference to alleged torture at Guantanamo Bay prison). Raul did not mention or refer to President Obama in either of his speeches.

Accomplishments? Comptroller and National Museum System

¶ 9. (C) After all the rhetoric and preparation for the semi-annual National Assembly, two laws were passed. The first bill created a National Museum System to help preserve Cuba's cultural heritage by standardizing the management of the country's museums. The second bill created an Office of Comptroller General, which was first introduced by Raul Castro at the December 2008 National Assembly (Ref B). The Comptroller is a beefed up version of the ineffective Ministry of Audit and Control and will report directly to the National Assembly and Council of State (instead of the Council of Ministers). The Comptroller has similar responsibilities to the U.S. General Accounting Office, but

since the Cuban government is involved in all economic activity in Cuba the regulatory scope is virtually unlimited. It will also target individuals and not just state entities.

¶10. (C) The National Assembly also adopted two U.S. focused resolutions. One called on the United States to stop "interfering" in Honduras and supporting the de facto government. The other demanded the return of the Five Cuban Spies. Finally, the National Assembly "elected" Homero Acosta Alvarez the new secretary of the Council of State (replacing Jose Miyar Barruecos who is now Minister of Science, Technology, and the Environment) and Gladys Bejerano Portela as the Comptroller General. Bejerano was the Minister of now defunct Ministry of Audit and Control. All votes on all bills, resolutions, and elections were unanimous.

Tag, You Are It

¶11. (C) While his brother was traveling through Africa, Fidel Castro wrote three reflections focusing on Honduras and the alleged involvement of current and former U.S. government employees (Ref C). In his latest reflection, Fidel sarcastically suggested Secretary Clinton should be awarded the Nobel Peace Prize for her role in the mediation effort led by Costa Rican President Arias. Fidel has not published another reflection since Raul landed back in Cuba on July 23, seemingly yielding his time to the current president. If the brothers are indeed intentionally sharing the press time, Fidel has the much easier task of hypothesizing on foreign conspiracy theories while Raul is forced to report on the sorry state of Cuban economy.

Comments

¶12. (C) Beyond the delay of the Party Congress and the creation of a Comptroller General's office, Raul offered nothing new to the Cuban people during a hectic week of meetings and speeches. Possibly most frustrating for both

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ordinary Cubans and the second tier (at least) party leadership is that Raul Castro had promised in his first speech as acting president on July 26, 2007 a "structural and conceptual transformation" in the government. In the last meeting of the National Assembly in December 2008, Raul announced the transformation would be submitted at the Sixth Party Congress. Not only has the Party Congress been delayed indefinitely, but so has any hint of structural change, in particular regarding the dire state of the Cuban economy, the expectation of which had provided at least a sliver of hope to the most optimistic Cubans. The creation of an Office of the Comptroller General fits within Raul's focus on better workplace discipline and fighting corruption, but is unlikely to positively impact Cuba's current economic and financial difficulties (septel). In fact, a Comptroller General's office that effectively cuts down on workplace graft may negatively impact the average Cuban's standard of living and reduce the already weak incentives to show up at work.

FARRAR